

SCERS NEWSLETTER

RETIREMENT INFORMATION

What's inside

- Spotlight: Chief Benefits Officer
- Retirement Checklist
- Benefit FAQs:
Purchasing Service Credit
- Fast Facts
- Upcoming Events

A Message from SCERS' CEO

One of our core values at SCERS focuses on "open and fair processes."

When it comes to administering a retirement plan that's been around for more than 75 years, there can be a confusing jumble of constitutional amendments, statutes, and court decisions that govern our day-to-day business.

Over the last two years, the SCERS Board of Retirement has been simplifying and clarifying our administrative policies to ensure that our processes and practices for implementing the governing laws are transparent and consistent.

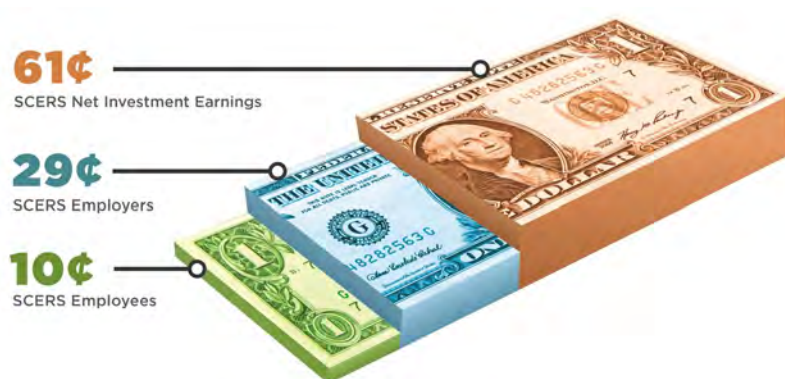
The library of policies can be found on our website, at scers.org/policies-and-governance



– Eric Stern

SCERS Pension Dollar

Many SCERS members have seen pension contributions increase in recent years, due to labor agreements and cost-sharing provisions of the statewide pension reform law. While paycheck deductions can reduce take-home pay, they also pay off in the long run.



Pension benefits are funded in three parts: employee contributions, employer contributions, and the interest that SCERS earns from investing those contributions.

Investment earnings are the engine that pays for benefits. Over the last 20 years, investment earnings paid for 61% of every dollar of retirement benefits that SCERS provided to retirees. Employers made up 29%, while employee contributions provided 10% of the cost of benefits. In other words, SCERS members only pay a dime for every dollar of pension benefits they receive. **That's a 10-to-1 return.**

Public pensions were designed as a shared responsibility between employees and employers. It's not something we take for granted—a retirement fund is called a "trust" because the SCERS Board is entrusted to prudently invest and safeguard your contributions.

As public employees who serve the people of Sacramento County, your "contribution" is bigger than a paycheck deduction. As fiduciaries, SCERS works to ensure your contributions for a career in public service are rewarded with lifetime retirement security.



Spotlight: The New Chief Benefits Officer



Mario Sierras joined SCERS in 2017 as a Retirement Services Manager and was promoted to Chief Benefits Officer in March 2019. He brings with him 17 years of diversified financial services experience from both the private and public sectors.

Prior to SCERS, he worked at the State Treasurer's Office administering California's 529 College Savings Plan with the ScholarShare Investment Board. Mario spent nearly 9 years at the California State Teachers' Retirement System (CalSTRS) in various roles in the Service Retirement division.



What is your job at SCERS?

As Chief Benefits Officer, I am responsible for administering the benefits and services offered by SCERS, and delivering outreach and education to members and employers. I am also responsible for developing the workforce to meet member and business needs.

How do you define success?

I define success as progress—whether it's helping an employee grow, develop, and achieve their goals, or improving business processes for efficient and effective delivery of benefits and services to the members we serve.

Progress = Success.

What is the most challenging thing about working at SCERS?

Being patient. SCERS is in the midst of modernizing its pension administration system and processes that will greatly enhance our service delivery. In the meantime, we'll make incremental progress and celebrate small victories along the way.

What is your wish list for SCERS 5 years out?

For SCERS to be a leader among the county retirement systems, and to be an employer of choice in Sacramento County. I aim for SCERS to be more nimble and able to serve our members with a "best-in-class" service delivery. With the many changes having occurred already and those on the horizon, I am not only optimistic but I am excited for the future of SCERS.

Investment Terminology: Volatility

Volatility is a statistical measure of the range of investment returns over a period of time. Generally, the higher the volatility, the riskier the asset. Volatility is often associated with swings in either direction, and can be used to describe individual securities, a market index, or a portfolio of assets.

Volatility on the upside can bring gains, while volatility on the downside brings pain, as more volatile investments translate to a greater potential for negative returns.

SCERS structures its strategic asset allocation to achieve broad diversification and consistent long-term performance. An objective of the strategic asset allocation is to reduce portfolio volatility, particularly protecting against significant market downturns.





Retirement Preparation Checklist

It's never too early to plan for retirement, but you may not know where to start. The checklist below is a helpful guide to getting started.

- Attend a Quarterly Retirement Seminar
- Use the Benefit Calculator at SCERS.org to calculate your retirement benefit estimate
- Submit your retirement application and all forms and documents to SCERS (within 60 days from retirement)
- Notify your employer
- Initiate service credit purchases prior to the date of retirement
- Update your beneficiary information, if necessary
- Submit documents pertaining to life changing events (marriage license or partnership registration, birth certificate of each beneficiary, or copy of trust agreement)
- Complete the option selection form and inform your beneficiary which payment option you selected and what it means for them
- Complete a direct deposit form to have your retirement payment electronically transferred to your financial institution
- Contact the County Employee Benefits Office or your employer regarding group health benefits and eligibility requirements. If you or your spouse are over 65 at retirement, enroll in Medicare with benefits effective as of your retirement date

FAQs: Can I Purchase Service Credit?

The SCERS retirement benefit formula includes your benefit age factor, your final compensation, and your total service credit. Purchasing Permissive Service Credit increases your total years of service with SCERS, which may increase your retirement benefit.

As a SCERS member, you may purchase Permissive Service Credit for service in the military, unpaid medical leaves of absence, and for time you worked as a temporary or seasonal employee for a SCERS employer before you became a SCERS member, among other situations.

You must pay the required contributions and interest as determined by SCERS. The cost varies depending on the type of service you choose to purchase. If you believe you are eligible to purchase service credit, please visit the SCERS website and refer to the member handbook for more information:



scers.org/member-handbook

Board of Retirement

Rick Fowler—President—Appointed by the Board of Supervisors

John B. Kelly—Vice President—Appointed by the Board of Supervisors

Keith DeVore—Vice President—Appointed by the Board of Supervisors

James A. Diepenbrock—Appointed by the Board of Supervisors

Diana Gin—Elected by Miscellaneous Members

Ben Lamera—Ex-Officio—Director of Finance

Alan Matré, CPA—Elected by Miscellaneous Members

Kathy O'Neil—Elected by Retired Members

Matt Petersen—Elected by Safety Members

John Conneally—Elected by Safety Members

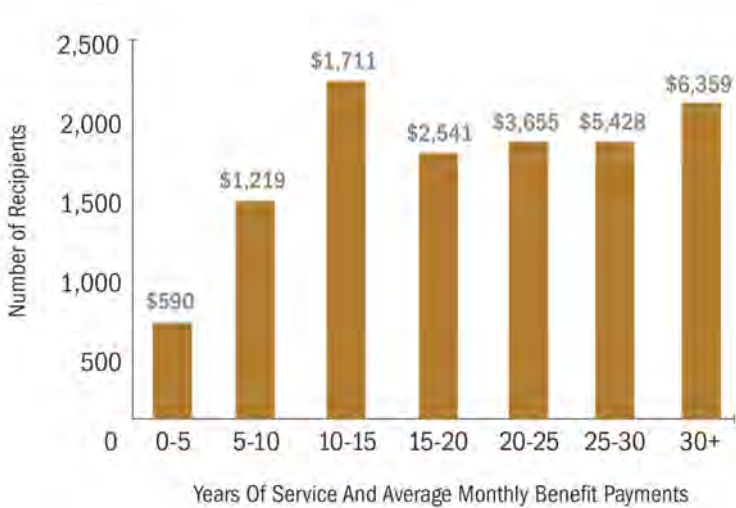
Martha Hoover—Elected by Retired Members



Fast Facts

**Distribution of Benefit Recipients:
By Average Monthly Benefit Payments and Years of Service**
As of June 30, 2018

- The total number of benefit recipients was **11,883**.
- The average length of service was **19.5 years**.
- The average monthly benefit payment was **\$3,381**.



Upcoming Events

Board Meetings

(Open to public)

980 9th Street, 19th Floor

- 10 a.m. Wednesday, June 19, 2019
- 10 a.m. Wednesday, July 17, 2019
- 10 a.m. Wednesday, August 21, 2019

Quarterly Retirement Seminars

*For members within 10 years of retirement;
registration required – call (916) 874-9119*

Board of Supervisors Chambers

700 H Street, First Floor

- 8 a.m. Monday, June 17, 2019
- 8 a.m. Thursday, October 3, 2019
- 8 a.m. Tuesday, December 3, 2019